Company	Nordic Fibreboard AS
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Attachments:
- Nordic Fibreboard Annual Report 2020_ eng.pdf (http://oam.fi.ee/en/download?id=5433)
- Nordic Fibreboard majandusaasta aruanne 2020_ est.pdf (http://oam.fi.ee/en/download?id=5434)

Currency

Title Nordic Fibreboard AS Audited Annual Report 2020

On 27 April 2021, the Supervisory Board of Nordic Fibreboard AS approved the company's audited annual report for 2020.

OVERVIEW

Consolidated net sales for 2020 were EUR 10.27 million from continuing operations, being a 23% decrease compared to 2019 (2019: EUR 13.33 million from continuing operations). Fibreboard sales for year 2020 were EUR 10.00 million, which is 15% decrease from year 2019 sales of EUR 11.75 million. The main reason for the decrease in sales revenue was the loss of customers in the display board segment as a result of the COVID-19 pandemic. All production in this sector was produced at the Püssi factory, which was closed in March 2020.

Furniture retail sales in 2020 were EUR 56 thousand (2019: EUR 1,515 thousand). The retail sale of furniture has ended with the closure of the last shop on 31.01.2020 and the sales recorded in 2020 was from some remaining stock.

The sales revenue in 2020 from real estate management was EUR 212 thousand (2019: EUR 111 thousand), one of the reasons for the increase in sales revenue is that in 2020 the real estate management company operated throughout the financial year, but in 2019 it started operations in May.

Nordic Fibreboard AS recorded positive EBITDA of EUR 540 thousand for full year 2020 from continuing operations (vs positive EUR 325 thousand in 2019 from continuing operations). The EBITDA result for 2019 includes one-off operating income of EUR 324 thousand from revaluation of its property subsidiary Pärnu Riverside Development, while the EBITDA result for the 2020 includes one-off expense in the Group's fibreboard subsidiary of EUR 38 thousand for the removal of previously used office building located at the fibreboard site in Pärnu. The main reason for such a large change in EBITDA are the improved efficiency of

Nordic Fibreboard Ltd OÜ. The closure of the Püssi fibreboard factory enabled us to switch the Püssi factory construction sector orders to our Pärnu factory, and we started a 4(th) shift in Pärnu in April 2020 as a result thereof. The Pärnu factory is now running continuously, except for a one-shift maintenance stop every month. This has led to increased machine utilisation, and gross margin for Nordic Fibreboard Ltd OÜ has therefore increased substantially, being 25% in 2020 (from being 15% in 2019).

At the end of 2020, Nordic Fibreboard AS and Nordic Fibreboard Ltd entered into a new loan agreement with their current lender Swedbank AS and new lender, the Rural Development Foundation, to refinance Group`s loans and overdrafts. The refinancing enabled the Group to restructure its loan liabilities from EUR 4.4 million to EUR 3.2 million.

At the regular General Meeting of Shareholders held on 10.08.2020, a decision made to introduce no-par value shares and to reduce the share capital of Nordic Fibreboard AS by 2,249,530.50 euros, from 2,699,436.60 euros to 449,906.10 euros by reducing the book value of shares. The number of shares remained the same, but the book value of the share decreased from 0.60 euros to 0.10 euros.

Furniture retail EBITDA for 2020 was negative EUR 40 thousand (2019: negative EUR 200 thousand). Real Estate Management EBITDA for 2020 was EUR 0 (2019: positive EUR 352 thousand).

Net profit for full-year 2020 was EUR 1,074 thousand from continuing operations (2019: net loss of EUR 1,127 thousand from continuing operations).

GROUP'S REVENUE BY ACTIVITY

	EUR thousand		% of net sales	
	2020	2019	2020	2019
Continued operations				
Fibreboards production and sales	10,001	11,745	97%	81%
Furniture retail	56	1,515	1%	10%
Real Estate Management	212	111	2%	1%
Group transactions	(0)	(38)	(0%)	(0%)
Total	10,269	13,333	100%	92%
Discontinued operations	0	1,215	0%	8%

TOTAL	10,269	14,548	100%	100%

STATEMENT OF FINANCIAL POSITION AND CASH FLOW STATEMENT

As of 31.12.2020 the total assets of Nordic Fibreboard AS were EUR 7.7 million (31.12.2019: EUR 9.1 million). The liabilities of the company as of 31.12.2020 were EUR 5.0 million (31.12.2019: EUR 7.5 million), of which Nordic Fibreboard has borrowings of EUR 3.2 million as at 31.12.2020 (31.12.2019: EUR 4.6 million).

Receivables and prepayments amounted to EUR 0.8 million as at 31.12.2020 (31.12.2019: EUR 1.4 million). Inventories were EUR 0.5 million as of 31.12.2020 (31.12.2019: EUR 0.9 million). The fair value of financial assets (i.e. Trigon Property Development shares) increased from EUR 397 thousand as of 31.12.2019 to EUR 450 thousand as of 31.12.2020. As of 31.12.2020 and 31.12.2019, Real Estate Investments amounted to EUR 1.1 million, property, plant, equipment and intangibles were EUR 4.7 million as of 31.12.2020 (EUR 5.2 million as of 31.12.2019).

In 2020, the Group's cash flows from operating activities totalled EUR 150 thousand EUR (2019: EUR 516 thousand). Investment activities resulted in cash outflows in amount of EUR 56 thousand in 2020, compared to outflows in amount EUR 153 thousand in 2019. Financing activities also resulted in cash outflows of EUR 75 thousand in 2020 (2019: EUR outflow 410 thousand). Net cash effect in 2020 EUR was positive 19 thousand, which is EUR 66 thousand more cash inflow compared to the cash outflow in the amount of EUR 47 thousand in 2019.

In 2020, investments in non-current assets totalled EUR 110 thousand. In 2019, the investments totalled EUR 133 thousand.

FINANCIAL RATIOS

EUR thousand

Income statement	2020	2019
Revenue	10,269	13,333
EBITDA	540	325
EBITDA margin	5%	2%
Operating profit	(19)	(343)
Operating margin	(0%)	(3%)
Net profit	1,074	(1,127)

Net margin	10%	(8%)
Discontinued operations	0	(271)
TOTAL NET PROFIT	1,074	(1,398)

Statement of financial position	31.12.2020	31.12.2019
Total assets	7,650	9,045
Return on assets	14%	(12%)
Equity	2,648	1,542
Return on equity	41%	(73%)
Debt-to-equity ratio	65%	83%

Share	31.12.2020	31.12.2019
Last Price*	0.45	0.41
Earnings per share	0.24	(0.31)
Price-earnings ratio	1.89	(1.32)
Book value of a share	0.59	0.34
Market to book ratio	0.76	1.20
Market capitalization, EUR thousand	2,025	1,845
Number of shares, piece	4,499,061	4,499,061

EBITDA = Earnings before interest, taxes, depreciation and amortization
EBITDA margin = EBITDA / Revenue
Operating margin = Operating profit / Revenue
Net margin = Net profit / Revenue

Return on assets = Net profit / Total assets
Return on equity = Net profit / Equity
Debt-to-equity ratio = Liabilities / Total assets
Earnings per share = Net profit / Total shares
Price-earnings ratio = Last price / Earnings per share
Book value of a share = Equity / Total shares
Market to book ratio = Last price / Book value of a share
Market capitalization = Last price * Total number of shares
*http://www.nasdaqbaltic.com/

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR thousand	31.12.2020	31.12.2019
Cash and cash equivalents	26	7
Receivables and prepayments (Note 5)	794	1,394
Inventories (Note 6)	544	894
Total current assets	1,364	2,296
Investment property (Note 7)	1,134	1,121
Financial assets at fair value through profit or loss (Note 9)	451	397
Property, plant and equipment (Note 8)	4,695	5,212
Intangible assets (Note 8)	6	19
Total non-current assets	6,286	6,749
TOTAL ASSETS	7,650	9,045
Borrowings (Notes 10)	756	4,547
Payables and prepayments (Notes 11)	1,574	2,665
Short-term provisions (Note 12)	18	20
Total current liabilities	2,348	7,232

Long-term borrowings (Notes 10)	2,493	92
Long-term provisions (Note 12)	161	179
Total non-current liabilities	2,654	271
Total liabilities	5,002	7,503
Share capital (at nominal value) (Note 13)	450	2,699
Share premium	0	364
Statutory reserve capital	0	288
Other reserves	0	84
Retained earnings (loss)	2,198	(1,894)
Total equity	2,648	1,542
TOTAL LIABILITIES AND EQUITY	7,650	9,045

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

EUR thousand	2020	2019
Continued operations		
Revenue (Note 22)	10,269	13,333
Cost of goods sold (Note 15)	8,099	11,538
Gross profit	2,170	1,796
Distribution costs (Note 16)	1,283	1,698
Administrative expenses (Note 17)	605	658
Other operating income (Note 19)	42	351

Other operating expenses (Note 19)	342	134
Operating profit (loss)	(19)	(343)
Finance income (Note 20)	1,291	19
Finance costs (Note 20)	199	803
LOSS BEFORE INCOME TAX	1,074	(1,127)
NET PROFIT (LOSS) FOR THE FINANCIAL YEAR FROM CONTINUING OPERATIONS	1,074	(1,127)
Net profit (loss) for the financial year from discontinuing operations	0	(271)
NET PROFIT (LOSS) FOR THE FINANCIAL YEAR	1,074	(1,398)
Basic earnings per share (Note 14)	0.24	(0.31)
Diluted earnings per share (Note 14)	0.24	(0.30)

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR thousand	2020	2019
Cash flows from operating activities		
Operating profit (loss)	(19)	(343)
Adjustments:		
Depreciation charge (Notes 8)	560	669
Profit/loss from revaluation of real estate investment (Note 7)	(5)	(327)
Profit/loss from sale of non-current asset	(28)	0
Profit/loss on non-current asset write-off	2	2

Profit/loss from revaluation of financial assets (Note 9;21)	(53)	25
Non-monetary transactions: reserve for share option	32	39
Expenses of doubtful receivables	0	1
Change in trade and other receivables (Note 5)	600	(651)
Change in inventories (Note 6)	350	581
Change in trade and other payables (Note 11)	(1,091)	617
Discontinued operations	0	131
Cash generated from operations	348	744
Interest payments (Note 21)	(192)	(221)
Net other financial income and expense (Note 21)	(6)	(7)
Net cash generated from operating activities	150	516
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets (Notes 8)	(78)	(133)
Disposal of property, plant and equipment and intangible assets (Note 8)	29	0
Purchase of investment property (Note 7)	(7)	(20)
Net cash used in investing activities	(56)	(153)
Cash flows from financing activities		
Loans received (Note 10)	1,200	0
Repayment of loans received (Note 10)	(853)	(306)
Loans received from related parties (Note 10)	549	304
Repayment of loans received from related parties (Note 10)	(569)	(284)
Repayment of principal element of lease liabilities (Note 10)	(62)	(96)

Change in overdraft (Note 10)	(340)	(28)
Net cash (used in)/from financing activities	(75)	(410)
NET CHANGE IN CASH	19	(47)
OPENING BALANCE OF CASH	7	54
CLOSING BALANCE OF CASH	26	7

The audited annual report of Nordic Fibreboard AS for 2020 is attached to the stock exchange announcement and is published on the websites of NASDAQ Tallinn and Nordic Fibreboard (https://group.nordicfibreboard.com/en/investor/financial-reports/annual-reports)

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